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The paper examines the development of incomes in Germany at different welfare levels, together with current trends in poverty. The analyses are based on data from the German Socio-Economic Panel (SOEP) study, which provides detailed annual information on incomes starting in the mid-1980s. Results show that increased inequality is mainly in pre-governmental income and thus not primarily the result of diminishing redistribution measures by the government. The results also indicate that the increasing labor market inequality is further intensified by decreasing redistributive activities of private households. Intra-household earnings analyses reveal that despite rising female labor market participation, intrahousehold inequality has remained remarkably stable. Earnings profiles between male and female household heads are now much more multifaceted than before, which might be regarded as a dynamic intra-household strategy of protection against growing market risks.

JEL classifications: D13, D31, H24, I31
Keywords: income distribution, poverty, inequality, redistribution by government and households, intra-household earnings ratios

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